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Trade Enhancing Goals for Reducing SPS Barriers

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I am very pleased to be able to participate in the Agricultural Outlook Forum, and to tell you about the efforts that USDA, and APHIS in particular, are undertaking in order to increase cooperation with our counterparts in Africa.

As we all know, the concerns of developing countries, especially the least developed countries, are right at the center of multilateral trade discussions and in the discussions of World Trade Organization members in the numerous committees and working groups. This is true in the area of SPS as well. A majority of developing countries are concerned that they have not been able to benefit from the world trade system as it currently operates. This is especially for Africa, and in the area of sanitary and phytosanitary or SPS measures.

Thirteen percent of the world's population live in Africa, but the region generates just 2 percent of world economic output. In fact, Africa's share of total world merchandise trade has fallen from 7.3 percent in 1949 to just 2.6 percent in 2004. Sub-Saharan African countries account for less than 2 percent of the total value of world trade in goods and services. Only 3 Sub-Saharan—South Africa, Nigeria, and Angola countries are included among the top 50 exporters of merchandise goods, and petroleum products are an important component of these exports for Nigeria and Angola.

Sanitary and phytosanitary requirements are vital to protecting consumers and to preserving agricultural and natural resources. Developed countries like the United States have invested in building food safety and agricultural health systems at home, and have put in place the necessary import requirements to ensure that we can provide the level of protection we feel is appropriate. While we have an internationally protected right to do this under the WTO and other international agreements, our measures can make it harder for some countries to export food and agricultural products to the United States. In some cases, it may not be possible to export certain products at all.

The African Growth and Opportunity Act, originally enacted in 2000 and extended until 2015 in 2004, provides extensive non-reciprocal preferential tariff treatment for African countries that meet specified criteria. Currently 37 countries are "AGO-eligible". Virtually all agricultural products are included in this preferential tariff treatment. Despite these benefits, the United States accounted for a very small share of African agricultural exports in 2004, less than 5 percent. That percentage did not increase from 2000 (although the value of exports did in absolute terms). Non-tariff barriers, including SPS requirements, may well explain part of the limited ability of African agricultural exports to exploit the

elimination of tariffs. Certainly, it is a common perception in many African countries that SPS measures in developed countries are used to exclude products from developing countries.

In recognition of this situation, USAID and USDA have worked together in a program to evaluate African horticultural products for the US market. This includes an examination of the phytosanitary risks associated with specific products as well as increasing the familiarity of African players with the commercial requirements of the US market.

But to really enhance African participation in world markets for horticultural products, strong phytosanitary capacity must be established. This includes the ability to monitor and control plant pests, to conduct inspections and risk assessments, and to implement plant health programs for production and export.

The question we ask ourselves as we prepare for the next stage in our cooperation is how we can strengthen the necessary SPS infrastructure to support export goals. Many African countries have targeted their agricultural sectors as key to improving export performance. But have they assigned their plant health services equal importance? A strong plant health protection system is vital not just to trade, but to safeguarding agricultural productivity and the environment. Protecting plant health resources is an important part of a vibrant agricultural sector, and contributes directly to goals of food security for domestic consumers as well as to increased export opportunities in foreign markets. It requires the ability to operate effective eradication or quarantine programs for pests or diseases, conduct reliable science-based pest and disease surveillance, and implement measures to keep out exotic pests and diseases. This infrastructure depends on well-trained, experienced and dedicated staff throughout the country.

In my view, the most important contribution to creating SPS infrastructure must be made at home. Active support and involvement must come from all levels: from producers, processors, traders and from the government. APHIS has a network of support like this, and it is central to our ability to facilitate trade opportunities for U.S. producers. I believe the same is true for any other country. African countries that wish to develop their agricultural exports need also to recognize the necessity of having a reliable and effective sanitary and phytosanitary infrastructure to facilitate safe trade, and they must actively support its development.

APHIS is pleased to be able to play a role in enhancing this capacity. We believe that our involvement will help us build closer relationships with our regulatory counterparts in Africa and contribute to improved understanding of SPS requirements and the importance of continuing trade liberalization.